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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1922.

No. 197.

PRESTONETTES, Inc.,
Petitioner,
against
FRANCOIS JOSEPH DE SPOTURNO COTY,
Respondent.

BRIEF FOR RESPONDENT

LINDLEY M. GARRISON,
HUGO MOCK,
ASHER BLUM,
Counsel for Respondent.

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Supreme Court of the United States

OCTOBER TERM, 1922.

PRESTONETTES, INC.,

Petitioner,

vs.

FRANCOIS JOSEPH DE SPOTURNO
COTY,

Respondent.

No. 197.

Statement of the Case.

Summary of the Pleadings.

The plaintiff is a leading manufacturer of perfumes and perfumed toilet preparations such as face powders and the like. He is a French citizen (Complaint, Par. 1, R. p. 1) and the defendant is a New York corporation (Complaint, Par. 2, R. pp. 1 and 2) and it has committed some of the acts complained of within the territory of the State of New York (R., p. 2, fol. 4.)

The complaint embodied two causes of action.

In connection with each cause of action, it was alleged that the value of the subject matter involved exceeded \$3,000 exclusive of interest and costs and in addition, it was also pleaded that

the jurisdiction of the Court was based not only upon a registration, but also upon treaty rights and upon the statute of the State of New York (Complaint, Par. 16, R., p. 9 and Complaint, Par. 22, R., p. 14).

In the first cause of action, the adoption and use of the trademark "L'Origan" and the registration thereof in the Patent Office as No. 146,974 (copy of Certificate of Registration annexed to p. 20) were pleaded in Pars. 3-10 of the complaint (R., pp. 2-6). This portion of the complaint specifically alleged all the requirements for registration and that a very large and valuable good will has been built up by plaintiff due to the extensive and exclusive use of this trademark since the year 1909.

An exhibit showing a box of "L'Origan" face powder was referred to at the end of Paragraph 8 of the complaint (R., p. 5) as "PLAINTIFF'S EXHIBIT GENUINE L'ORIGAN PACKAGE." This is a small package intended for direct sale to the retail customer and defendant does not claim that plaintiff's powders have been sold in any other manner.

The second cause of action was based upon the trademark "Coty." Paragraph 17 of the Complaint (R., pp. 10 and 11) showed that plaintiff has been using this trademark in the United States since 1905 and that in the year 1920, the sales of his products amounted to more than \$1,000,000 and in the year 1921, to more than \$3,000,000. Paragraphs 18-21 of the complaint alleged the use of plaintiff's tradename "Coty" on a great variety of bottles, cases and

containers, some of which were offered as exhibits in Paragraph 21 of the complaint (R., p. 13).

The exhibits found in this case show small bottles intended for direct sale to retail customers and there is absolutely no foundation for the statements found in the brief for petitioner which appear to imply that plaintiff's perfumes and powders have not been put up in packages intended for the retail customer. The record clearly shows that plaintiff has put up his perfumes, powders and the like for direct sale to the retail customer and petitioner admits that the 8-ounce size is a size which is also purchased at retail by wealthy customers (brief for petitioner, p. 4, Par. 2).

Paragraph 20 of the complaint specifically alleged that "Coty" for many years has indicated in this business

"the products of the plaintiff and of the plaintiff only" (end of Par. 20, R. p. 12).

A similar allegation with respect to the trademark "L'Origan" is found at the end of Par. 3 of the complaint (R., p. 3). Paragraph 23 of the complaint (R., p. 14) duly set forth the registration of "Coty" in the Patent Office under the Trade-Mark Act of March 19, 1920, as No. 147,206 and a copy of this Certificate of Registration is found between pages 20 and 21 of the record.

Plaintiff's Products Must be Handled with Care and Skill.

Since the trademarks above mentioned identified good will built up by the plaintiff, the causes of action were based in part upon the ground that in order to properly protect his good will, the plaintiff should have the right to prevent the unauthorized use of his trademarks "Coty" and "L'Origan" for the purpose of selling products which unsupervised and unauthorized concerns claimed were his original products after they had either been rebottled, or subjected to an additional manufacturing operation.

Thus Paragraph 5 of the complaint (R. p. 3) alleged that plaintiff's "L'Origan" preparations had always been made with the best of skill and care and Paragraph 8 of the complaint (R., p. 4, fol. 12) alleged that plaintiff had always been very careful

"in so packing the said products and in particular the face powder before mentioned so that they shall retain their original desirable qualities."

The "said products" mentioned in Paragraph 8 are specified in Paragraph 3 (R., p. 2, fol. 4) as consisting of perfumes, toilet waters, face powders, sachet powders, lotions for the skin and hair, brilliantine and other toilet preparations. Paragraph 8 of the complaint set forth, as a specific precaution which had always been observed by plaintiff, the packing of his face powders, including the compacts or little cakes

thereof in containers which were either made of paper or of metal lined with paper (R., p. 5, fol. 13), so as to prevent contact between the perfumed powder and a metal.

Paragraph 11 of the complaint (R., p. 7, fols. 19 and 20) stated that the manufacture of a compact of face powder required the use of certain binding ingredients and also required skill and attention

“so as to make the compact of sufficient coherence, but not render it too hard.”

Paragraph 12 of the complaint (R., p. 8, fol. 23) also alleged that the bottling of a perfume required care and cleanliness so that the volatile ingredients of the perfume would not be permitted to evaporate, and to maintain the perfume in a clean and sanitary condition (R., p. 8, fols. 23 and 24).

Paragraph 13 of the complaint specifically alleged that the packing of a compact of face powder in a metal container injured the perfume added thereto,

“and which is the main cause of the sale thereof in that said perfume contains a number of ingredients which are easily destroyed or altered so that the valuable properties of the perfume are injured” (R., pp. 8 and 9, fols. 24 and 25).

Infringement Complained Of.

The complaint then alleged the infringement of plaintiff's rights by the production and sale of vials of perfume and compacts of face powder illustrated in two exhibits marked “PLAIN-

TIFF'S EXHIBIT, DEFENDANT'S BOTTLE" and "PLAIN-TIFF'S EXHIBIT DEFENDANT'S PACKAGE." The articles complained of are sufficiently described in the opinion of the District Court, found on pp. 67-71 of the record. The description of the defendant's box is found on p. 68, fol. 203, from which it is seen that the defendant packed a compact of face powder in a *metal box* which was marked "French Prestonettes of Coty's L'Origan." This metal box was packed in a paper box having on top thereof the words "Coty's L'Origan Powder" and on the side and in smaller letters "Packed and Fabricated by Prestonettes, Inc., 299 Broadway." On the bottom of the box was a notice

"The powder used in this compact is taken from an original Coty box and GUARANTEED if this seal is unbroken."

The bottle sold by the defendant contained a perfume which was labelled "French Prestonettes of Coty's L'Origan."

The prayer of the bill of complaint (R., p. 16) was that the use of plaintiff's trademarks "Coty" and "L'Origan" should be restricted to the resale of his original packages.

Summary of the Affidavits in the Record.

Thereupon the plaintiff made a motion for a preliminary injunction based upon the affidavits of Benedict (R., p. 22), Wilson (R., p. 24), L. S. Levy (R., p. 26), Laning (R., p. 28), Miles (R., p. 36), Mock (R., p. 40) B. E. Levy (R., pp. 45 and 49).

The defendant opposed this motion on the affidavits of Kronish (R., p. 53), Bennett (R., p.

55) and Rochester (R., p. 57). No answer was filed.

Miss Benedict and Miss Wilson represented the average consumer of these products and the defendant did not offer any affidavit of a person representing the retail purchaser. Miss Benedict (R., pp. 22 and 23) deposed that "Coty" meant nothing to her except the name of a well known manufacturer of perfumes and toilet preparations, and that "L'Origan" had absolutely no meaning to her save as one of the "Coty" trademarks.

Miss Wilson deposed to the same effect and stated positively that she had never heard of "L'Origan" being used in any connection whatever with perfumes, toilet preparations or powders except to designate the well known perfume or toilet preparations of Coty (R., p. 25, fol. 73).

Hence, to the average consumer "Coty" and "L'Origan" are entirely fanciful words and any use thereof inevitably entails a use of the plaintiff's good will.

Mr. L. S. Levy (R., pp. 26 and 27) deposed that he was the editor and publisher of a well known trade paper and that he had been connected with this publication for fifteen years and that he was well acquainted with all the names and brands of all the well known American and French perfumers. He stated that plaintiff was a French perfumer of the highest reputation, that one of his best known trademarks was "L'Origan" and that

"L'Origan in the United States means Coty's product among the purchasing public." (R., p. 27, fol. 79.)

He also deposed that it required skill and care to make a compact from a face powder as alleged in Par. 11 of the complaint (R., p. 6) and this was not denied by the defendant.

Mr. Laning qualified as a perfumer of many years' experience and he stated (R., p. 29, fol. 87) that the analysis of perfumes was accomplished by the sense of smell. This is by no means unusual in dealing with many products because the tariff laws for many years have provided for expert tea tasters and expert wine tasters.

Mr. Laning deposed that "Coty" in this field meant the plaintiff and the plaintiff only and that "L'Origan" indicated the plaintiff's products and nothing else (R., p. 30, fols. 89-90). He deposed that plaintiff for many years had been considered as one of the leading French manufacturers and that his "L'Origan" products had for many years been recognized as being large sellers and high class articles.

He also deposed that plaintiff's "L'Origan" perfume was a blend which could not be reproduced from any particular flower (R., p. 31, fols. 91 and 92) and that the oil of origanum or the oil of majororam was a natural product which had not been on the market in the United States during the last fifteen years. Commercial substitutes had been put out as oil of origanum or oil of marjoram but these did not consist essentially of the oil of the plant itself (R., p. 31, fols. 92 and 93). On pages 32 and 33 of the record Mr. Laning explained that minute quantities of substances having very disagreeable odors such as civet, for example, are sometimes added to per-

fumes to affect the volatility of the true perfume ingredients and that a very minute percentage of commercial oil of origanum or oil of marjoram might therefore be used in a perfume for this purpose but that it was not a true perfume oil.

Mr. Laning stated positively (R., p. 33, fol. 97) that the only use of "L'Origan" in this business was as,

"one of the trademarks of the perfumer Coty, and as far as the general trade and public knows, this is the only meaning possessed by this word."

Mr. Laning stated that practically the only commercial use of oil of origanum or the oil of sweet majoram was as a spicy flavoring ingredient in food such as sausages or the like (R., p. 33, fol. 98). He also stated that he considered it a sensible precaution and one which any perfumer was well justified in taking, to pack perfumed powder so that it would not come directly in contact with the walls of a metal container as these containers were usually finished off with a lacquer of some kind which, "had an odor of its own" (R., p. 33, fol. 99). Defendant makes the point that its compact has a glass base, but as the puff in the compact box becomes impregnated with powder, the powder contacts with the metal walls, and loose particles of powder will also contact with said metal walls. On pages 33 and 34 (fols. 99 and 100) Mr. Laning deposed that considerable skill and care was required to make a compact from a loose face powder, that the binding material must be well chosen and that it was quite possible

"to make a very bad compact if the binding material chosen is of poor quality or if the

manufacturing process is not carried out under skilled and careful supervision" (R., p. 34, fol. 100).

On pages 34 and 35 of the record (fols. 101-103) Mr. Laning pointed out that the trademark register of the Manufacturing Perfumers Association of the United States did not mention "L'Origan" or "Origan" in any manner whatever and that he had never found either of these names listed as the name of any perfume or toilet article in any similar compilation of names.

Another register issued in 1920 and which included the trademarks of *French* houses mentioned "L'Origan" only as a trademark of Coty.

Mr. Miles qualified as an expert of twenty-two years' experience and as a man who had had extensive experience with the raw materials used in perfumery. He amply corroborated Mr. Laning as to the status of "Coty" and "L'Origan" and that oil of origanum or majororam was not a material used for contributing to the odor of a perfume. He positively stated (R., pp. 38 and 39, fols. 114 and 115) that "Origan" had no meaning to the perfumery trade except as designating a "Coty" product originated by plaintiff and that majororam or sweet majororam had no status whatever among the perfumery trade in the United States as an ingredient for perfumes.

The first Levy affidavit verified November 21st, 1922, and found on pages 45-48 of the record stated that the bottling of perfume required skill, care and cleanliness to prevent injury to the product and to maintain it in a clean, sanitary condition (R., p. 46, fols. 136 and 137).

Hence, as pointed out (R., p. 46, fol. 137) the plaintiff has always done all his packing and bottling in France and has sent his goods to the United States,

"in the final condition in which they are sold to the trade and to the ultimate consumer so that the entire stock in the United States consists only of bottles, packages and containers which are imported into the United States in their final condition."

Mr. Levy then deposed to the skill and care required for making a compact (R., p. 46, fol. 138) and he stated positively that the defendant's products complained of were not put out by the plaintiff and that the plaintiff would never think of packing a face powder or compact in the metal box used by defendant (R., p. 47, fols. 139 and 140).

Mr. Levy also deposed that plaintiff had never given permission to the acts complained of (R., p. 47, fol. 140). The companion affidavit of Mr. Levy verified in February, 1922, in another case, again pointed out the precautions required for packing a powder and that plaintiff refused to pack his powders in metal boxes (R., p. 50, fols. 149 and 150). This affidavit also called attention to a return of goods to Mr. Levy similar to those made by defendant because the customer, Julius Gutman & Co. (R., p. 52), naturally considered that Mr. Levy, as the distributor of the "Coty" products, should have defective "L'Origan" compacts returned to him.

The record also contained an affidavit by one of the solicitors herein who has been acquainted

with plaintiff's business in the United States for three years (R., p. 40, fol. 120). This solicitor deposed that he was making this affidavit because he was well acquainted with the business affairs of plaintiff in this country and because Mr. B. E. Levy was then in France (R., pp. 43 and 44, fols. 129 and 130). Mr. Mock stated that even Mr. Levy was not authorized to print any labels or to do any rebottling or repacking in the United States (R., p. 41, fol. 121) as had been previously deposed to by Mr. Levy (R., p. 46, fol. 137) and that the practices complained of had not begun earlier than about a year before the institution of this action (R., p. 41, fol. 122) by certain unnamed persons. This was about April, 1921. These acts by these unnamed persons were promptly communicated to plaintiff in France and in November, 1921, an action was instituted in the Magistrate's Court of New York City but as this proceeding had dragged on, this complaint was filed on April 3rd, 1922 (Record, bottom of p. 17). Plaintiff's distributor only allowed one concern, namely, Importer's Exchange, Inc., which sold "Flaconettes," to re-bottle his perfumes in vials because ample assurance was given of the care and honesty to be exercised by this concern and because permission was given to inspect its premises at all times (p. 42, fols. 124 and 125). On March 16th, 1922, the defendant was notified and warned to stop (p. 42, fol. 125).

On page 43 of the record (fols. 127 and 128) it was pointed out that perfumes are so delicate and are of such complicated composition that a

real analysis is practically impossible and that expert perfumers analyze a compounded perfume only by the sense of smell as was previously pointed out by Mr. Laning (R., p. 29, fol. 87). It was also pointed out that it was injurious to repack a face powder in order to make a compact

"as in every such operation a part of the original perfume is lost" (R., p. 43, fol. 128).

To sum up, the complaint and affidavits offered on behalf of the plaintiff, proved the following:

1. That the defendant's original labels unfairly subordinated its identity and unfairly emphasized "Coty" and "L'Origan" so that the consuming public was given the impression that the defendant was reselling goods and packages directly purchased from the plaintiff (Wilson affidavit, R., pp. 24 and 25).
2. That "Coty" and "L'Origan" identified goods for which plaintiff was responsible, to the trade and public.
3. That the defendant was injuring plaintiff's reputation and good will because the method of manufacture and packing which it employed for making compacts from his face powder injured the perfume therein which was the main cause for the large sale of the powder. Plaintiff proved actual injury to the perfume which forms the basis of his reputation by evidence satisfactory to the Court. (Opinion, pp. 92-94.) This is also stated in the case of *Magnum v. Coty*, 43 Sup. Ct. 531, on p. 532. The labels approved of by the District Court did not inform the public of this.

4. That to permit the defendant to place plaintiff's trademarks "Coty" and "L'Origan" upon goods (whether powders or perfumes) which defendant claimed were plaintiff's original goods or made in part from his original goods would practically leave him at the mercy of unscrupulous wholesalers who might desire to adulterate his products or sell substitutes therefor because a practical method of analysis to detect adulteration or substitution was impossible.

5. That to permit the defendant to rebottle or repack plaintiff's goods without any supervision or responsibility would hazard plaintiff's reputation because careless rebottling or repacking would ruin the products and the inferior rebottled or repacked products would be considered as goods for which plaintiff was entirely or almost entirely responsible due to the affixing of his trademarks "Coty" and "L'Origan," by the labels approved of by the District Court.

The defendant at no time attempted to deny the fact that careless rebottling, repacking or independent handling of the plaintiff's goods would ruin their quality.

Indeed, this was expressly conceded in the petition for rehearing although the defendant refused to admit that it had actually injured the plaintiff's products.

Thus, the defendant stated as follows in its petition for rehearing (pp. 116 and 117, fols. 348 and 349):

"As was pointed out in defendant's brief, at pages 4 and 5, the argument and case pre-

sented by plaintiff was that unless proper skill and care were used in the handling of plaintiff's products, the quality of plaintiff's products would be injured, and as a result plaintiff would suffer irreparable damage. With this defendant agrees."

P. 118, fol. 352:

"At page 18 of the opinion, the learned Judge states:

'In the case now before the Court the plaintiff's product was a delicate volatile product intended for personal use and was one that could be easily ruined by improper handling and bottling, and the powder preparations were such that their quality could be easily impaired by packing them in improper containers.'

This is true."

P. 118, fol. 354:

"If defendant in any way changed the quality of plaintiffs' products, we agree that an injunction should properly be issued against it."

P. 119, fol. 355:

"At page 22, the learned Court states:

'The proper bottling of a perfume is essential to its retaining its quality. If through carelessness or ignorance, or economy, the rebottling is not according to the plaintiff's standards, or some unscrupulous person should adulterate the perfume irreparable injury to the reputation of the plaintiff's product would result. In the same way the value of a face powder or other toilet preparations may be seri-

ously impaired by the use of improper containers or by using unsuitable ingredients for binders.'

With this statement we likewise agree.'

The Kronish affidavit (p. 53) filed on behalf of defendant alleged that the employer of this deponent manufactured the powder compacts for this defendant. Mr. Kronish claimed that only proper ingredients had been added to plaintiff's powder, that none of the ingredients used by his employer were harmful to the skin and that plaintiff's powder had not been injured by the metal boxes used by defendant, but he did not attempt to deny the fact that the *perfume* in the powder was so injured. This was the only affidavit submitted by any person having technical experience in this field. We submit his affidavit presents no effective denial because plaintiff is entitled to exercise all the precautions that he (not others) may deem necessary.

The affidavit of Mr. Bennett (pp. 55 and 56) stated that Mr. B. E. Levy, plaintiff's distributor in the United States, had sold quantities of plaintiff's perfume in bulk to the Importers Exchange, Inc., knowing that this perfume was to be used for rebottling purposes.

Mr. Bennett made no allegation to the effect that petitioner had ever been authorized to re-bottle the plaintiff's perfumes and he made no allegation to the effect that any concern whatever had been authorized to manufacture compacts from the plaintiff's powders and resell them with the use of plaintiff's trademarks in any manner whatever.

No assertion was made that plaintiff's perfumes and powders were not put up by him in bottles and cartons intended for the ultimate customer, or that the 8-oz. bottles were not a retail size, intended for wealthy customers. Petitioner's brief concedes that the 8-oz. bottle was a retail size (Petitioner's brief, p. 4.)

After the Importers Exchange, Inc., secured permission to rebottle plaintiff's perfume in small vials (but not to make compacts), other concerns began to do this without supervision or permission, which led to the filing of a complaint in a Magistrate's Court and the institution of this action (R., p. 41, fols. 122 and 123).

Mr. Rochester (Record, p. 57) did not claim that the perfume and powders which defendant sold had been acquired with any permission, whether express or implied, to do what defendant has been doing. He did not deny receiving a warning notice before this action was instituted, namely, on March 16, 1922 (Record, p. 42, fol. 125). Defendant did not allege that it had made any investment whatever or had done anything whatever relying upon the permission, express or implied, of plaintiff.

Defendant did not even allege when it started in this business and made no attempt to show that it had been permitted to commit the acts complained of for any definite period so as to afford the slightest foundation for the application of the principles of laches, estoppel, &c.

Defendant did not attempt to allege any direct dealings with the plaintiff and the record clearly shows that even plaintiff's American distributor had no authority to rebottle or repack plaintiff's

goods in the United States (Record, p. 41, fol. 121).

The only statement found as to the source of the perfume sold by defendant is that defendant "has purchased said perfume in large eight-ounce packages from various concerns who have purchased it from plaintiff here or in France." (Record, p. 58, fol. 174.) There was no allegation that this large package was not a retail size.

Plaintiff's American distributor verified the complaint in which it was stated (Record, p. 9, paragraph 15) "that plaintiff has never given his consent to any of the acts complained of herein."

Practically the entire case of the defendant seems to be based upon the assertion of Mr. Rochester (R., p. 58, fols. 172 and 173) that many dealers for "years past" with the knowledge of plaintiff's distributor had bought the 8-ounce bottles containing the plaintiff's perfume and had rebottled the perfume in smaller bottles.

Mr. Rochester did not give the names or addresses of these dealers. He did not state what labels, names or trademarks these dealers had used, if any, in selling the rebottled perfumes of plaintiff and he did not produce any such labels before the Court. He did not allege that defendant had in any way been misled by lack of protest by plaintiff. These allegations were of the most vague and general character and wholly insufficient to establish a defence which requires *affirmative* proof, namely that plaintiff had in some manner so conducted his business in the United States that by express or implied agreement he

was estopped from asking for the relief granted by the Circuit Court of Appeals.

As has been previously pointed out, one of plaintiff's solicitors alleged that the practices complained of were practically unknown in the trade until about April, 1921, and legal measures were taken to stop these practices complained of with great promptness (R., p. 41, fol. 122 and 123) and the District Court specifically ruled (R., p. 71, fol. 213):

"There is no adequate proof that the complainant has ever consented to a sale by the defendant in containers which have failed to state that the goods were not by complainant, or has waived any of his rights in the premises."

No wholesaler or jobber is compelled to buy the perfumes or perfumed products of the plaintiff and when the defendant purchased the products of the plaintiff, which are put up in a variety of sizes for customers of varying means, it had no right to assume that the plaintiff gave his consent, either express or implied, to commit the acts complained of.

The remainder of Mr. Rochester's affidavit was an attempt to attack plaintiff's exclusive rights to the trademarks "Coty" and "L'Organ," but the decision of the District Court upon these points was in favor of the plaintiff (Record, p. 68, fol. 204), and as no appeal was taken by the defendant from the order of the District Court, we submit that this point is not before the Court for decision (*Fitchie v. Brown*, 211 U. S. 321; *Southern Co. v. Ward*, 208 U. S. 126). The

validity of the trademark "Coty" or "L'Origan" was not discussed before the Circuit Court of Appeals and no mention whatever of this point is found in the opinion of the Circuit Court of Appeals.

We make note at this point that the "L'Origan" trademark has been upheld in a decision of the United States District Court for the District of Delaware, namely, *Coty v. Coty Stores of America*, reported in *Twelve Trademark Reporter*, 229 (May 15, 1922), and in a decision of the Circuit Court of Appeals of the Second Circuit in the cause of *Le Blume Import Co. v. Coty*, 292 Fed. 264, affirmed 292 Fed. 344, 13 Trade Mark Rep. 233.

Having finished the statement of the facts involved, we may summarize the issues as follows:

I.—Can the name and trademark of the manufacturer of a delicate volatile product like a liquid perfume which cannot be objectively analyzed save with great difficulty, so that adulteration and substitution cannot be proved, be put on bottles to serve as trademarks to sell what is alleged to be his rebottled product, even though announcement is made to the public of the rebottling?

II.—Can the name and trademark of the manufacturer of a delicate volatile product like a perfume be put on bottles to serve as trademarks without his consent, to sell what is alleged to be his rebottled product when proper bottling is essential to preserve the quality of the product and the concern which is selling the alleged re-

bottled product is absolutely free from the control and supervision of the manufacturer so that it may omit all the necessary precautions either through ignorance or from a desire to economize, and there is nothing to inform the average purchaser whether the poor quality of the rebottled perfume is due to the character of the original product or to changes resulting from the rebottling operation?

III.—Can a concern without consent print labels upon which the name or trademark of a manufacturer appears in conjunction with the name of this concern, and affix these labels to merchandise without the consent of the manufacturer for the purpose of selling such merchandise upon the inevitable implication amounting to a representation that the manufacturer is responsible either wholly or in part for the quality of the goods offered for sale with the use of these labels?

IV.—Can the name and trademark of the manufacturer of a toilet preparation containing a delicate and volatile perfume, like a face powder, be used without his consent to sell his face powder after it has been subjected to an independent operation so as to transform it into a compact, when these compacts compete in the market with the manufacturer's own compacts and the methods used by the independent concern injure the perfume which is the main cause for the sale of the compact?

V.—Can the name and trademark of a manufacturer be used by an independent and unsuper-

vised concern to sell an independently manufactured article for the quality of which he is made responsible because he is represented as having supplied the characteristic ingredient therefor when adulteration and substitution cannot be detected?

VI.—Since the plaintiff has proved to the satisfaction of the Court, by objective proof, that the defendant has injured the perfume in his powder by bad manufacturing methods and by packing the powder in a metal container and is therefore handling his goods either ignorantly or carelessly, should the defendant be permitted to rebottle the plaintiff's liquid perfume and resell it with the use of his trademarks, when the rebottling operation requires care and skill and it is practically impossible to offer any objective proof of lowering quality, or adulteration or substitution?

VII.—Is not the plaintiff clearly entitled under the facts, to an injunction restraining defendant from using "Coty" or "L'Origan" on defendant's products because defendant has no right to put upon plaintiff the burden of safeguarding the reputation of his products which such a situation would impose upon plaintiff.

The Conditions which will Inevitably Prevail if Defendant's Business is Permitted to Continue.

If the decision of the District Court is sustained, then the plaintiff's name and reputation will be at the mercy of any manufacturer or jobber who puts on the market these ex-

pensive products with the use of labels bearing plaintiff's trademarks, without any possibility of checking up the sales of these concerns with the quantities of the genuine goods purchased by them. If adulteration or substitution were charged against any of these concerns, then practically the only method of proof would be the conflicting testimony of experts who would smell the products and since the decision upon this question of fact would necessarily devolve upon the Court, a satisfactory determination as to whether or not the plaintiff's business was being pirated and the public were being deceived could never be reached.

The plaintiff would be compelled to see his old customers becoming dissatisfied with the strength and purity of perfumes which were alleged to be his genuine products, without any satisfactory remedy. He would be compelled to permit the sale of powder compacts in direct competition with his own compacts and upon the representation that he was responsible for the main ingredient entering into these independently manufactured compacts, namely, the perfume in the powder, without being able to prevent adulteration and substitution, and without being able to restrain the use of harmful manufacturing and packing methods.

Furthermore, to permit this defendant and others similarly minded to continue to sell under the labeling proposed by the District Court would deprive the plaintiff of a right of great value. Plaintiff, the original manufacturer, selling through his own representatives, under his own

trade-mark, would presumably be advised of any dissatisfaction expressed by customers and could deal directly through his own representatives with such dissatisfaction and thereby maintain his good will. All of this is lost if an independent agency dealing with the retail trade puts out the products under the labels proposed by the District Court, because there the complaints would not come to plaintiff in respect of what was presumed to be his products, but would come to this independent agency having no connection with the plaintiff and no sense of responsibility in the premises. The right of continued contact, so to speak, with the retail trade served by the plaintiff would thus be entirely defeated.

If the plaintiff's name and trademark were not an important factor in selling the perfumes and compacts which the defendant is endeavoring to handle, then this litigation would never have arisen and would never have been fought with such tenacity on behalf of the defendant. Even if the defendant's name does appear upon the labels used to sell its goods, the plaintiff's good-will will inevitably be used by means of the labels designed by the District Court for selling the defendant's products, so that if the defendant and any other concern is permitted to conduct the business complained of, the plaintiff will be forced into a series of joint adventures with a number of concerns whom he does not know, whom he does not trust, and with whom he desires no dealings whatever, and furthermore plaintiff will have imposed upon him the unjust burden of safeguarding the quality of his products.

The plaintiff's reputation is based upon the observance of a number of precautions the necessity of which is entirely unknown to the purchasing public, which cannot be expected to have a sufficient knowledge of the chemistry of perfumes, powders, etc., to understand just why they have been sufficiently pleased with the plaintiff's preparations to buy them in such large quantities. The average customers of these products upon reading the announcement that they are buying rebottled perfumes or independently manufactured compacts will never suspect that poor quality may be due to the rebottling operation or to the independent manufacture of the compacts from Coty's powder or because the delicately perfumed powder of the plaintiff has been injured by defendant's manufacturing methods and by being packed in a metal container. Nothing is more fundamental than the right of a manufacturer to protect his reputation and the good will of his business, and the Circuit Court of Appeals clearly held that the sale of the improperly manufactured and packed compacts put out by the defendant was a direct injury to plaintiff's reputation, and it held that some of his high class perfumed products had been sold to the public after their quality had been injured, and with the use of his name and trademark (Opinion, Record, pp. 92-94).

The labels ordered by the District Court did not compel the defendant to differentiate between the contribution of the plaintiff and the contribution of the defendant to the products sold upon the strength of plaintiff's reputation. It has been clearly established by

objective proof that the compacts which the defendant sold did not retain the perfume, which gave the compact its distinctive character and trademark, in the original condition. Of this, the public was not informed by the label ordered by the District Court. The manufacturing and packing methods of the defendant could be so careless or so variable as to practically destroy the perfume leaving the powder odorless or to change the perfume into another of an entirely different character. The label ordered by the District Court merely required the defendant to state as follows (R., p. 73, fol. 219):

"Prestonettes, Inc., not connected with Coty, states that the compact of face powder herein was independently compounded by it from Coty's L'Origan (or other name) loose powder and its own binder. Loose powder %, Binder %."

A customer buying the "L'Origan" face powder of Coty for the first time, would not know upon reading this label that the L'Origan perfume in the defendant's compact might have been entirely evaporated or completely altered by the defendant, and a person who was already acquainted with the Coty "L'Origan" products might get the impression that a cheap and weakly perfumed product was now being sold by Coty or that the character of the "L'Origan" perfume had been completely changed.

Similarly with reference to the rebottled perfume where practically only *subjective* proof, namely, a test by means of the sense of smell, is

possible, it is inevitable that where care and skill are required, that the bottling operation will at times be carelessly performed and the customer who would receive a bottle alleged to contain Coty's L'Origan perfume, alleged to have been rebottled by the defendant, and finding a product containing dust, would get an entirely erroneous impression of the product upon which plaintiff stakes his reputation. The only reason why the defendant is prosecuting this litigation with such tenacity instead of confining itself to the ordinary operations of a jobber is because it hopes to reap a large financial benefit from the failure of the labels ordered by the District Court to give the public the entire truth about the situation so that the defendant is free with the use of these labels, to sell what is really its product upon the reputation of an expert and skilled perfumer who has built up a large business because of the strength, uniformity, cleanliness and high concentration of his products.

It is significant to note that the defendant took no appeal from the order of the District Court but was entirely satisfied to do business under this order and indeed regarded the decision of the District Court as a victory.

Furthermore, the legalization of the business of the defendant would necessarily mean perpetual litigation and without the possibility of rendering a really final decree in any action that might be brought by the plaintiff. The defendant has conceded, and it necessarily follows from the fundamental principles of Trademark Law, that an injunction should be issued whenever the plaintiff can prove that the defendant is offering adul-

tered or counterfeit products or that it has actually injured his perfumes, either liquid or as applied to powders. This would mean that the plaintiff would be compelled to watch and take samples of and continually test the products put out by the defendants. According to the defendant's theory, if the plaintiff did secure some samples and the defendant's were proved guilty of adulteration, substitution or improper handling or manufacturing, then plaintiff could not secure a general injunction against the defendant, but could only secure an injunction prohibiting the sale of the products relative to which this specific proof had been offered. Such an injunction would be absolutely no protection to the plaintiff because unless he bought up the defendant's entire output, he could not offer any proof beyond the samples submitted to the Court.

Since under the defendant's theory there is no check upon the number of concerns which might enter this field and the statement that one hundred concerns will forthwith duplicate the acts of this defendant if its business is declared legal, is a conservative estimate, the plaintiff would certainly be compelled to spend at least ten dollars per day for each of such concerns in order to secure samples of its products, have the necessary tests made by a sufficient staff of experts, &c., and the financial burden thus imposed upon the plaintiff would make it practically impossible to exercise any real supervision upon the products sold upon the strength of his reputation.

Furthermore, the defendant is a corporation which has certainly unfairly competed by the use of its original labels. Its officers at times

may be of the highest character and skill. Nevertheless, the ownership and control of the defendant may at any moment be transferred to persons whom nobody would trust and nevertheless these persons would be permitted to use the name of a manufacturer of high reputation to sell products whose handling requires great skill and which can be adulterated practically with impunity.

On the other hand, there is nothing in the opinion of the Circuit Court of Appeals which prevents this defendant from making the legitimate and ordinary profit of a jobber by reselling the bottles and packages containing the goods of the plaintiff. The acts of the defendant certainly cannot be justified upon any ground of public necessity because the plaintiff sells the compacts which the defendant desires to manufacture and sell in competition with him he sells his perfumes in a variety of sizes and he has authorized a concern which he trusts, namely, the Importers Exchange, Inc., to sell his perfumes in little vials for people of very moderate means. There is no allegation that plaintiff has attempted to control the business of the Importers Exchange, Inc., in any manner or that he has ever attempted to control resale prices, etc.

The only reason why the defendant is defending this litigation with such tenacity is because it hopes to make profits much greater than the ordinary profits of a manufacturer or jobber by selling what are alleged to be the plaintiff's genuine perfumes, and what are alleged to be compacts made with the plaintiff's powder by the use of his trademarks. Even without charging any

dishonesty or attempted dishonesty on the part of the defendant it is obvious that where the cost of bottling or handling these delicate products amounts to a substantial part of the ultimate retail cost, that any concern like this defendant can hope to make very substantial profits by omitting all the precautions deemed necessary by a manufacturer who has achieved a good reputation and desires to maintain that reputation as one of the most valuable of his assets. The fact that the defendant challenges plaintiff to prove any adulteration or injury to his liquid perfumes is an empty gesture in view of the facts, and the plaintiff has proved that the defendant is either ignorant of the proper method of handling his perfume as applied to powders or else that it has deliberately omitted precautions deemed necessary by him as is shown by the opinion of the Circuit Court of Appeals (Record, pp. 92-94).

While this controversy relates specifically to perfumes and perfumed products, the issues involved are important because there are many high priced and delicate medicines and drugs which are in exactly the same category as the products herein involved.

For example, there are many medicines, such as heart stimulants, which must be handled with the greatest care so that they will be kept absolutely clean. Such medicines must be carefully put up in sterilized and absolutely clean glass containers so that when the medicine is injected no impurity can enter the blood of the patient. We submit that the manufacturer of such a prep-

aration would have the right to insist that his name and reputation should not be used to sell such a product if an unsupervised jobber handles it by methods requiring independent care and skill.

Furthermore, while this defendant is relatively unknown, if a large and well-known concern such as "Liggett" or the like would imitate the practices of the defendants, then the customers of these large concerns would surely attribute any defect in the goods to the plaintiff and not to the concern which had independently rebottled or manufactured the goods, since the customers of these large concerns expect them to conduct their business efficiently and according to high standards.

The plaintiff has clearly proved actual injury to his reputation because the defendant has made its own compacts and has packed plaintiff's perfumed powder in metal boxes contrary to plaintiff's practice.

Under the theory advanced by defendant, plaintiff must prove that defendant is incompetent to handle each and every one of his products, and injunctions will be issued only to prevent the sale of articles which have been adulterated or injured *after* sales thereof have been made and the damage to plaintiff's reputation has been completed.

The general principles of trade-mark law, independent of statute, forbid exposing plaintiff's good-will to the hazards which are inevitably produced by the acts of defendant.

With reference to the compacts it is well established and in fact conceded by the defendant in its petition for rehearing (*supra*, p. 15) that an independent and unauthorized concern should not be permitted to sell inferior and independently manufactured goods to the public by using the trademarks of a well known manufacturer in any manner whatever. The Circuit Court of Appeals ruled that plaintiff had proved that the manufacturing and packing methods used by defendant for its compacts had injured the delicate perfume which is the basis of plaintiff's reputation and we submit that this finding of fact should not be overruled when the case has not progressed beyond a motion for preliminary injunction. (*Meccano v. Wanamaker*, 253 U. S. 136.)

It makes no difference in this respect whether a trademark is protected upon the theory of safeguarding the public or upon the theory of protecting private property, namely the good-will of the owner of the trademark, because the use of "Coty" and "L'Origan" to sell powders whose perfume has been injured is forbidden under either of these theories.

We submit that it is now well established that trademarks are protected upon the theory that they are private property and that the right to the exclusive use of a trademark is a private

monopoly something akin to that based upon a patent and that an unauthorized use of the trademark will be enjoined even though the public is not injured and even though the defendant is offering to the public goods similar to or identical with those provided by the owner of the trademark.

Thus in the case of *Bourjois & Co. v. Katzel*, 43 Sup. Ct. 244, and decided on January 29, 1923, the defendant claimed that the face powder which it was selling under the trademark "Java" was the identical face powder sold by the plaintiff under that name and that both the face powder of the plaintiff and of the defendant had been purchased from the same French concern, which had the exclusive rights to this trademark in France.

The Court stated:

"Ownership of the goods does not carry the right to sell them with a specific mark. It does not necessarily carry the right to sell them at all in a given place. If the goods were patented in the United States a dealer who lawfully bought some goods abroad from one who had a right to make and sell them there could not sell them in the United States. *Boesch v. Graff*, 133 U. S. 697, 10 Sup. Ct. 378, 33 Lawyers Edition, 787. The monopoly in that case is more extensive, but we see no sufficient reason for holding that the monopoly of the trademark, so far as it goes, is less complete. It deals with a delicate matter that may be of great value but that easily is destroyed and therefore should be protected with corresponding care * * * It (meaning the trademark) stakes the reputation of the plaintiff upon the character of the goods."

The Court did *not* permit defendant to sell her imported French powder as "Java" together with an explanation that she was not connected with plaintiff, even though such a statement might have been sufficiently lengthy to tell the whole truth.

Similarly, in the instant case, the use of "Coty" and "L'Origan" is a representation to the public relative to the character of the goods offered by defendant which involves and stakes the reputation of plaintiff, and plaintiff has no more control over the character of defendant's goods than A. Bourjois & Co. had over the goods independently purchased by Katzel in France. This Court refused to hold that Bourjois was not entitled to relief, because Katzel was selling the genuine foreign goods.

Similarly, in the case of *International News Service v. The Associated Press*, 248 U. S. 215, 39 Sup. Ct. Rep. 68, where the defendant re-published the news previously published by the plaintiff without using "anything fraudulent or under-handed" (245 Fed., p. 254), the Court held (38 Sup. Ct., pp. 72-73) that the right to restrain unfair competition should be defined as follows:

"The underlying principle is much the same as that which lies at the base of the equitable theory of consideration in the law of trusts—that he who has fairly paid the price should have the beneficial use of the property. * * *

It is said that the elements of unfair competition are lacking because there is no attempt by defendant to palm off its goods as those of the complainant, characteristic of the most familiar, if not the most typical case

of unfair competition. * * * But we cannot concede that the right to equitable relief is confined to that class of cases."

In the case of *Beecham v. Jacobs*, 221 U. S. 263, 31 Sup. Ct. Rep. 556, the plaintiff's trademark was "Beecham" for pills made under a secret formula and the defendant sold his pills as "Beecham" pills manufactured by himself and claimed that he had discovered the true formula of plaintiff, that the burden of proof was on the plaintiff to prove that these pills were not made according to plaintiff's formula, and that all infringement was avoided by the clear statement that these pills were manufactured by defendant. The Court stated:

"*Corruptio optimi pessima.* Sound general propositions thus are turned to the support of a conclusion that manifestly should not be reached. We will follow and answer the argument in the order in which we have stated it. If, in a technical sense, the burden of proof is on the plaintiff to prove that the defendant's pills are not made by his formula, there is at least a *prima facie* presumption of difference, just as in the case of slander there is a presumption that slanderous words are false. A different rule would prevent the owner of a secret process from protecting it except by giving up his secret. Again, when the defendant has to justify using the plaintiff's trade name, the burden is on him. Finally, as the case presents what is a fraud on its face, it is more likely that the defendant is a modern advertiser than that he has discovered the hidden formula of the plaintiff's success. * * *

To call pills Beecham's pills is to call them

the plaintiff's pills. The statement that the defendant makes them does not save the fraud. That is not what the public would notice, or is intended to notice, and, if it did, its natural interpretation would be that the defendant had bought the original business out and was carrying it on. It would be unfair, even if he could assume, as we cannot, that the defendant uses the plaintiff's formula for his pills."

This case like *Bourjois v. Katzel, supra*, (p 33 of this brief) clearly shows that the Courts do not compel the plaintiff to show that the defendant's skill is inferior to his or that the defendant is not offering the same character or quality of goods as the plaintiff and that cases similar to this are decided upon the theory of *trespass*, namely, that a man's name and business reputation are exclusively his own and that nobody else has a right to use it without authority and thereby subject this reputation to the inevitable hazards accompanying unauthorized use. Neither did the Court permit Jacobs to use the name "Beecham's" in any manner or in connection with any explanation, no matter how lengthy.

We also call attention to the case of *Omega Oil Company v. Wechsler*, 34 Misc. 441, 71 N. Y. Supp. 983 (affirmed without opinion in 68 App. Div. 738) where the plaintiff owned the trademark "Omega" for a curative oil or liniment. The defendant made a curative soap and claimed that Omega Oil was an ingredient thereof and he tried to use the name "Omega" in advertising and selling defendant's soap but the Court

granted an injunction which restrained the defendant amongst other things

"from advertising or representing this soap as composed of 'Omega Oil' as one of its constituents."

In the cases cited by the Circuit Court of Appeals, the relief granted was similar to that granted in the instant case. Thus in the case of *Ingersoll v. Doyle*, discussed on p. 101 of the record and in the *Coca Cola* cases discussed on pp. 98-100 of the record, the plaintiff sued in part to enjoin some of the acts which are typical of unfair competition, such as the use of unfair labels, &c., but the relief which was prayed for and which was granted was much broader and the defendant or defendants in each of these cases were finally enjoined from using the plaintiff's trademark in any form except to sell the original product, without performing any bottling or manufacturing operation.

We have printed as an appendix to this brief the decrees and injunctions provided for in these cases (*infra*, pp. 71-81).

The "*Coca Cola*" cases show the control given to the owner of a trademark for liquids, when the *bottling* of the liquid is an important element in the quality of the final product and is therefore really a manufacturing operation.

Any retailer who sells soft drinks can buy an unlimited quantity of "*Coca Cola*" syrup and it is understood in each sale that the retailer may mix the syrup with carbonated water which is independently manufactured. Of course, the *Coca Cola* Company has no control over the

character or cleanliness of the carbonated water which is mixed with its syrup, the cleanliness of the glasses used by the retailer, and in these particulars the Coca Cola Company must rely upon the fact that the customers will be able to observe the character and cleanliness of the retail establishment which they patronize.

When, however, the name "Coca Cola" is used in any manner whatever to sell a *bottled* beverage then the Coca Cola Company can insure the genuineness, purity and cleanliness of the beverage to its customers by appointing duly authorized bottlers and it is the established rule at the present time that unauthorized bottling concerns will not be permitted to use genuine "Coca Cola" syrup to sell independently bottled beverages with the use of the "Coca Cola" trademark.

The case of

Coca Cola v. Bennett, 238 Fed. 513 (C. A. 8th);

cited with approval the case of

Coca Cola v. J. G. Butler & Son, 229 Fed. 224 (Dis. Ct. E. D. Arkansas W. D.);

decided by Judge Trieber and it was cited with approval in the case of

Ingersoll v. Doyle, 247 Fed. 620 (Dis. Ct., Dis. of Mass.);

and by Judge Fitzhenry in the case of

Coca Cola Co. v. Stevenson, 276 Fed. 1010 on p. 1018 (Dis. Ct., S. Dis. of Illinois S. D.);

where the Court stated in commenting upon the case of *Coca Cola v. Butler*:

"In the latter case equity enjoined a bottler from using the syrup and beverage made therefrom without supervision, against the plaintiff's wishes."

The District Court of Delaware has also recently approved of the exclusive bottling contracts of the Coca Cola Company in the case of

The Coca Cola Bottling Co. v. The Coca Cola Co., 269 Fed. 796;

so that this principle is firmly established.

The defendant endeavors to make the point that since it is possible for an unscrupulous retailer to remove some or all of the genuine contents of a bottle containing the plaintiff's perfume that plaintiff should be held to have authorized wholesalers like the defendant to establish a large and regular wholesale business in selling what are alleged to be the plaintiff's genuine and rebottled perfumes and with the use of printed labels upon which his trademarks are caused to appear and without which a wholesale business in these alleged rebottled perfumes would be impossible. In this connection it may be noted that the Coca Cola Company must constantly watch retailers to see that do not use a spurious syrup when customers call for "Coca-Cola". This is shown, for example in the case of

The Coca Cola Co. v. Brown & Allen,
274 Fed. 481;

where defendants, who were retailers, were en-

joined from diluting the genuine Coca Cola syrup with sugar and caramel.

However, the Courts have never held that merely because the selling methods of the Coca Cola Company gave some opportunity for unscrupulous retailers to deceive and adulterate that the Coca Cola Company should be deprived of its exclusive control over bottled beverages to which its trademark was applied and the Courts have always refused to permit unauthorized rebottlers to use "Coca Cola" on labels in any manner, shape or form to designate a beverage made from the genuine "Coca Cola" syrup for the reasons stated by the Circuit Court of Appeals in its opinion in the instant case.

When a retailer buys a quantity of "Coca Cola" syrup, he is given the implied authority to dispense this in small quantities and to mix it with his own carbonated water so as to make the beverage but he is not given the implied authority to bottle this carbonated beverage and to sell it by means of labels upon which "Coca Cola" is caused to appear in any manner whatever.

Practical experience has shown that the comparatively small financial inducement offered to an ordinary retailer to sell counterfeit products is not enough to tempt any substantial number whereas the contrary might be true if a practically unlimited opportunity for money-making was permitted by the use of a well known trademark on a wholesale scale.

Following defendant's argument to its logical conclusion the "Coca Cola" decisions before cited were entirely erroneous because the Coca Cola Company does not confine its business to

sales in original bottles through bonded and trustworthy employees, who would be supposed to remove the labels from the bottles upon making the sale so as to avoid any possible refilling of the bottles and a fraudulent use of the labels. We submit that such a conclusion is absurd and the plaintiff may be safely entrusted with the duty of insuring the genuineness of his products and there is nothing in the record to show that adulteration or substitution has been permitted to go on unchecked by him. This defendant and other concerns in the same position, who have appeared before this Court in the case of *Magnum Co. v. Coty*, 43 Sup. Ct. 531, cannot complain of plaintiff's lack of promptness and energy in protecting his good will.

The decision in foreign jurisdictions have granted the same relief as that provided for in the instant case.

Browne on Trade Marks, Second Edition, Supplement 1885-1898, Sec. 910, p. 135.

"Before the Tribunal de Commerce, d'Anvers (Belgium) in the case of *W. Pearson v. Van Neck*, the following principles were established:

The affixing of a mark of an owner without his authority is illicit, even on products of his own manufacture. To decide otherwise would be to oblige the inspection by the owner of the mark, to see in each particular case the sanction of his right by chemical analysis of the product, or to have recourse to other difficult means of verification. The trade mark 'Creoline Pearson' which was registered April 23, 1890, in the Tribunal of

Commerce of Brussels, was intended to be affixed in various sizes, and in characters of every form, on packets, envelopes, boxes, and bales of the product thus denominated, which trade mark was protected by the law of April 1, 1879. The plaintiff sold the disinfecting product in bottles of different sizes, all the recipients having special forms and appearance. Van Neck, having bought quantities of the product, had retailed it in bottles dissimilar to those employed by the plaintiff, and bearing plaintiffs' especial trade mark, in conjunction with the defendant's name, place of business, etc. The trade mark was affixed in writing.

It was held that it matters little whether the liquid sold by Van Neck emanated or not from the laboratory of the plaintiff. The product is not only a liquid, but is capable of being condensed into solid form, in both of which forms plaintiff has presented it to the public. The defendant pleads erroneously a tacit consent to his use of the mark, and says that he is justified in so doing by the fact of plaintiff's registration and his placing of the goods upon the market. Should it be otherwise, another dealer would be allowed to present it to the public under a number of indeterminate forms. The shape of bottle is immaterial. One flask would not present more guarantees than another; and the public could not distinguish the difference between the two products. Consequently inevitable counterfeits might be produced with the greatest ease. The only safeguard would be a chemical analysis, which, of course would be impracticable. It is for the purpose of avoiding indefinite inconveniences as much in the interest of the public as for the manufacturer, that the rule should be rigidly observed that the right of the owner to affix his mark should be exclusive. Such is the only means of distinguishing the products of industry or the objects of commerce."

Reply to Authorities Cited by Petitioner.

In the case of *Hennessy v. White*, 6 W. W. & B. Eq., 216, the plaintiff manufactured a well-known brandy and it sold its brandy in barrels. The established custom of the trade which was consented to by Hennessy gave the retailer permission to bottle the brandy and label it as "Hennessy" brandy and the plaintiff only sued to restrain the defendant from representing his rebottled brandy as the original bottling of the plaintiff. The facts here are entirely different. Defendant does not set up any general custom permitting it to impliedly commit the acts complained of, it was notified before the suit was brought, the practices complained of were not known before about April, 1921, about a year before this suit was instituted (Record, p. 41, fol. 122), and the plaintiff does not sell his perfume in barrels to the general trade but only sells it to them in retail sizes, because even his largest size, the 8 ounce size, is expressly stated by petitioner to be a retail size of the kind bought by wealthy persons (Brief for Petitioner, p. 4).

The lengthy argument of the petitioner is based upon the assumption that defendant bought these 8 ounce bottles with permission either express or implied, to commit the acts complained of, but this argument is directly contrary to the facts and the District Court held that plaintiff had not waived any of his rights (Record, p. 71, fol. 213).

The decisions cited by petitioner to the effect that the protection granted to trademarks is limited to preventing the sale of the goods of

one manufacturer as those of another cannot be conceded as authoritative in view of the case of the *International News Service v. The Associated Press*, *supra*, p. 34, and of *Bourjois v. Katzel*, *supra*, p. 33, in which this issue was entirely absent.

Petitioner merely relies upon statements made by the Courts in considering cases where it was charged that the goods of one concern were being palmed off as the goods of another and of course when the evidence was insufficient to sustain the charge, the expressions relied upon by the plaintiff were made.

The case of *Russia Cement Co. v. Frauenhar*, 133 Fed. 518, is one in which the plaintiff sold its glue in *barrels* to the defendant, knowing and consenting to the resale of its glue in small bottles. On page 519 of this decision it appears that the Columbia Wax Works notified plaintiff:

“that they purchased it (meaning the glue) for the express purpose of bottling.”

At the bottom of page 519 of this decision it appears that the complaint originally denied the right of the defendant to use the trademark “La Page” upon the rebottled glue but at the top of page 520 of this decision the Court stated:

“This contention appears to have been abandoned.”

The Court merely ruled that since the bottling had been expressly consented to and hence was entirely lawful, that the label used by the de-

defendant sufficiently announced the fact of the bottling and the quotation from this case made by petitioner must be understood in the light of the facts which existed.

Similarly, the decision of Judge Wheeler in 126 Fed. 228, must be understood in the light of these facts.

Furthermore, this case was decided in the District Court on December 2, 1903, and hence the Court did not consider the Trade Mark Act of February 20, 1905, and it does not appear to have discussed either the Federal Trade Mark Act or the Penal Law of the State of New York and apparently these were not called to its attention by counsel.

In the case of *Russia Cement Co. v. Katzenstein*, 109 Fed. 314, Judge Hazel expressly stated on page 316:

“The glue bought by defendant was bottled with complainant’s knowledge and consent.”

In the case of *Apollinaris Co. v. Scherer*, 27 Fed. 18, Judge Wallace stated:

“It is shown that the defendant purchases the water in bottles under the label adopted by Saxlehner (the owner of the trademark) containing the cautionary notice.”

In other words, Scherer bought the “Hunyadi Janos” in the original bottles of the owner of the trademark and there was no question of re-bottling or the like in this case whatever.

In cases like

Gretsch v. Schooning, 238 Fed. 780;

Vitascope Co. v. U. S. Phonographic Co.,
83 Fed., 30;
and
Societe Anonyme v. Consolidated Filters
Co., 248 Fed. 358,

none of the questions presented herein were considered because the defendant merely sought to resell the original product without having attempted to perform any operation on that product which involved skill or care.

In the case of *Condy v. Taylor*, 56 Law Times Report (N. S.), 891, the Court simply held that where a retailer bought a *barrel* of disinfecting fluid which was ordinarily sold in small bottles that the custom of the trade in England permitted him to bottle the fluid and truthfully label it. The plaintiff did not object to the bottling *per se* but merely alleged that the disinfecting fluid had been kept for such a long time that its properties had been altered, and the Court held that this is one of the risks which it was compelled to assume when it sold the fluid under these circumstances.

In the case of *Farina v. Silverlock*, 6 De. G. M. & G. 214, the plaintiff Farina did not effectively deny that he had permitted rebottling of his perfume and the sale of the rebottled perfume with labels upon which his name was caused to appear, so that the Court assumed that there were many people who had the right to buy and use these labels.

Hence, when the defendant, who was a printer, was sued for printing labels similar to those of Farina, the Court originally held as a matter of law that the defense that he merely intended to

supply these labels to persons having the original bottles of Farina, with damaged labels, was good. The quotation from this decision made by petitioner must be understood with this in view because naturally if the owner of the trademark permits rebottling and permits the use of labels on rebottled products bearing his name, the rebottlers may order their own labels..

The decision of the Circuit Court of Appeals did *not* overrule the decision of Judge Knox in the case of *Coty v. Ivory Co.*, 12 Trade Mark Reports 284 (July 21, 1922) because Judge Knox was merely asked to follow the ruling of the District Court in the instant case.

The discussion upon this point, has proceeded upon the theory that the general equitable principles of trademark law hold that a man's name, reputation and good will are his exclusive property irrespective of statute and that trespass is committed by one who uses that name, reputation or good will without permission.

We submit that this is also the clear intent of the Trade-Mark Statute.

The Trademark Statute Forbids the Acts Complained of.

Section 16 of the Trade Mark Law of 1905 reads as follows:

"That the registration of a trade mark under the provisions of this act shall be *prima facie* evidence of ownership. Any person who shall, *without the consent of the owner thereof*, reproduce, counterfeit, copy or colorably imitate any such trade mark

and *affix* the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to *labels*, signs, prints, packages, wrappers or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several states, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages, therefore at the suit of the owner thereof; * * *."

The "L'Origan" registration was taken out under the original act of 1905, and the "Coty" registration was taken out under the amendment provided by the Act of March 19, 1920. The opinion of the Solicitor of The Department of The Interior dated July 13, 1920 (277 *Official Gazette* 181, Commissioner's Decisions 1920, page 89), discusses the Act of March 19, 1920, and shows that it was intended to provide a new register for trade-marks.

Sec. 4 of the Act of March 19, 1920, also states as follows:

"That any person who shall *without the consent of the owner thereof* reproduce, counterfeit, copy, or colorably imitate any trademark on the register provided by this Act, and shall affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in

connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several states, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof."

Sec. 6 of the Act of March 19, 1920, states as follows:

"That the provisions of sections 15, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27 and 28 (as to class (b) marks only) of the Act approved February 20, 1905, entitled 'An Act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States, or with Indian tribes, and to protect the same,' as amended to date, and the provisions of section 2 of the Act entitled 'An Act to amend the laws of the United States relating to the registration of trade-marks,' approved May 4, 1906, are hereby made applicable to marks placed on the register provided for by section 1 of this Act."

Section 19 of the Act of February 20, 1905, which is incorporated in the Act of March 19, 1920, provides as follows:

"That the several courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade mark registered under this act, on such terms as the court may deem reasonable."

The phrase "without the consent of the owner thereof" found in Section 16 of the Act of 1905 and in Section 4 of the Act of 1920 was not present in the preceding statutes and for the convenience of the Court, we reproduce the pertinent portion of Section 79 of the Trade Mark Law of July 8th, 1870:

"And be it further enacted that any person or corporation who shall reproduce, copy, counterfeit, or imitate any such recorded trade mark, and affix the same to goods of substantially the same description, properties and qualities as those referred to in the registration, shall be liable to an action on the case for damages for such unlawful use of such trade mark at the suit of the owner thereof in any court of competent jurisdiction in the United States, and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of his trade mark and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful use. * * *."

And the pertinent part of Section 7 of the Trade Mark Act of March 3rd, 1881:

"That registration of a trade mark shall be *prima facie* evidence of ownership. Any person who shall reproduce, counterfeit, copy or colorably imitate any trade mark registered under this act, and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages * * *."

In enacting the Trade Mark Act of February 20th, 1905, and of March 19, 1920, Congress cer-

tainly never had in mind that the owner of a trade mark could consent to the use thereof by another person upon entirely independent goods, because such consent would be entirely contrary to the theory of a trade mark, which, by its nature, must be exclusive and a monopoly.

What Congress had in mind was that the good will of the owner of the trade mark should not be used save as he permitted it.

Both the Act of 1905 and of 1920 forbid any *unauthorized* person to reproduce, counterfeit, copy or colorably imitate any trade mark.

To "imitate" generically means to make a general likeness; to "copy" means to make an "exact" likeness; to "counterfeit" means to make a false likeness; so that these three words include every act of making every kind of likeness whether with good intent or with bad intent.

Since Congress forbade an unauthorized person to "reproduce" and brought in the idea of *consent* it must have had something else in mind than merely passing off goods which were independently manufactured in their entirety.

As defined in the dictionaries, such as "Webster's New International Dictionary," (1916) to "reproduce" means: to make a reproduction of, to cause to exist in the mind or imagination; and every act whereby an authorized person uses the reputation of another, as embodied in a registered mark, is forbidden.

This was the interpretation put upon the statute in the case of

Davids Co. v. Davids, 233 U. S. 461, 34 Sup. Ct. 648,

where action was brought to restrain the in-

fringement of the registered surname "Davids" for ink.

The Court stated (34 Sup. Ct. 652):

"The right to be protected against an *unwarranted* use of the registered trade mark has been made a statutory right * * *. Moreover, in view of this statutory right, it could not be considered necessary that the complainant, in order to establish infringement, should show wrongful intent in fact on the part of the defendant, or facts justifying the inference of such intent. * * *

Having duly registered under the act, the complainant would be entitled to protection against any infringing use."

Since "unwarranted" means without authority, we have a clear interpretation of the intent of Congress.

Hence the statute makes it unlawful to affix "Coty" or "L'Origan" by means of labels, without plaintiff's consent.

This is further shown by Sec. 20 of the Act of 1905 which also applies to registrations under the Act of 1920 as provided for by Sec. 4 of the Act of 1920 (*supra*, p. 48).

Sec. 20 provides as follows:

"That in any case involving the right to a trade mark registered in accordance with the provisions of this act, in which the verdict has been found for the plaintiff, or an injunction issued, the court may order that all labels, signs, prints, packages, wrappers, or receptacles in the possession of the defendant, bearing the trade-mark of the plaintiff or complainant, or any reproduction, counterfeit, copy, or colorable imitation thereof, shall be delivered up and destroyed."

This portion of the Statute and the other portions quoted from, are absolute in their terms and no distinction is made upon the ground of explanatory matter being placed on the labels, packages, wrappers, etc., of the defendant.

The Penal Law of the State of New York.

Some of the acts complained of were committed within the territory of the State of New York and petitioner does not dispute the right of the Court to enforce the public policy declared by the statutes of the State of New York by means of an injunction. The New York courts enforce penal laws by injunction, to protect property rights (*United Co. v. Smith*, 115 Misc. Rep. 73; 187 N. Y. Supp. 377). Of course if the defendant removed its place of business to New Jersey or up to some State other than New York, then an injunction could no longer be based upon a New York Statute. We call attention to the fact that many States other than New York have declared their public policy by enacting penal statutes similar to Section 2354 of the Penal Law of the State of New York.

Subdivision 2 of Section 2354 of the Penal Law of the State of New York declares that a person commits a misdemeanor who

"affixes to any article of merchandise, a false or counterfeit trade-mark, knowing the same to be false or counterfeit, or the genuine trade-mark, or an imitation of the trade-mark of another, without the latter's consent."

Subdivision 6 fully quoted in the opinion of the Circuit Court of Appeals (Record p. 108, fol.

324) was so clearly in point that the Court did not discuss Subdivision 2 which clearly forbids the acts complained of herein.

The labels ordered by the District Court clearly permitted a violation of Subdivision 2 because the defendant was permitted to affix the trademarks of plaintiff to an article of merchandise without his consent.

The labels ordered by the District Court also violated Subdivision 6. With reference to the re-bottled perfumes these labels clearly represented to the public that the perfumes put out in defendant's vials were manufactured by a person other than defendant, namely, by the plaintiff herein. Similarly, the labels ordered by the District Court for the compacts represented that a person other than the defendant, namely, the plaintiff, was a manufacturer of the perfume and powder sold in the compact form by the defendant. The brief of petitioner concedes that the defendant's compact is alleged to consist of the plaintiff's loose powder formed into a little cake, with nothing added save a little binding material.

The New York Penal Statute, as stated in the case of

People v. Luhrs, 195 N. Y. 377,

was intended to protect the public. It does not hinder the ordinary course of the jobbing or retail trade and its purpose was beneficial and not penal.

In the case of *People v. Luhrs*, the specific offense which had been committed by the defendant was to refill an original bottle of the Wilson

Co. having its original label and a part of the decision of the court from which extracts are quoted in the brief for petitioner was devoted to the consideration of this specific act. But the decision clearly shows that it was unlawful to commit the acts complained of as appears from the following extract:

People v. Luhrs, 195 N. Y. 377, on p. 380.

"The intention of the legislature to thoroughly protect both the public and the owner from the furtive use of trade marks in any way is shown by the language of section 364 of the Penal Code under which the defendant was convicted. The first five subdivisions of that section, entitled 'Offenses against trade marks' make it a crime to knowingly counterfeit a trade mark; to use a false or counterfeit trade mark, or even a *genuine* trade mark without the consent of the owner; to have in possession a counterfeit trade mark, knowing it to be such; to sell or offer to sell an article labeled with a trade mark which appears to indicate, but does not truly indicate the quantity, quality, character, place of manufacture or the name of the manufacturer. Then follows subdivision 6 which declares one guilty of a misdemeanor, 'Who knowingly sells, offers or exposes for sale, any goods which are represented in any manner, by word or deed, to be the manufacture or product of any person, firm or corporation, other than himself, unless such goods are contained in the original packages and under the labels, marks or names placed therein by the manufacturer who is entitled to use such marks, names, brands or trade marks. (Penal Code, Section 264, sub. 6, as it was prior to amendments of 1908.)

The part thus quoted prohibits the sale of goods, protected by a lawful trade mark, which are represented to be the *manufacture* of another, unless they are contained in the original package and under the label placed thereon by the manufacturer. In other words, it prohibits the sale of goods represented to have been made by the owner of a trade mark, except as contained in the original package and as put up by him under his label. The protection extends to the bottling of a liquid, for instance, as well as the making thereof."

The minority opinion in the Appellate Division (*People v. Luhrs*, 127 Appellate Division 634 on p. 637, stated):

"I am of the opinion that this statute does not apply to the case of a sale where the original package, has by the owner, been broken."

The Court of Appeals of the State of New York refused to uphold this minority opinion and expressly stated that subdivision 2 of this section of the Penal Law (*supra*, p. 55) forbade the use even of the genuine trade mark without the consent of the owner and generally forbade the acts herein complained of.

The Questions of Constitutionality and of Unlawful Monopoly.

Upon these points the defendant has attempted to inject an entirely new issue into the instant case. Defendant is not a retailer. It manufactures its powder compacts and its general business is that of a wholesaler (R. p. 65, fols.

194, 195). Defendant insists upon the right to affix plaintiff's trademarks to its goods so that these trade marks should appeal to retail stores and to customers.

Defendant now endeavors to assume the position of an oppressed *retailer* who is not supplied by plaintiff with his perfumes in a sufficient variety of sizes and who has bought plaintiff's perfume in sizes too large for retail sales. All this, of course, has nothing to do with the compacts and all this is pure assumption because there is not the slightest proof in the record to show that plaintiff has failed to supply his customers with his perfumes in a sufficient variety of sizes so as to appeal to all classes. There is no pretense that plaintiff has a monopoly of the perfume business, or exercises any control whatever over it or that he can sell his products save by giving his customers what they want, like any other business man. There is no pretense that plaintiff has endeavored to fix the prices of the little vials of perfume sold by the Importers Exchange, Inc. or that he has attempted to control the business of this concern in any manner whatever, that he has attempted to fix resale prices or that he has attempted to exercise any control over his goods after they have been bought and paid for.

Defendant is confusing the right to sell an article and the right to affix a trademark to an article and the distinction was clearly pointed out in the case of *Bourjois v. Katzel* (*supra*, p. 33). The trademarks "Coty" and "L'Origan" are not descriptive words or else they would

not be trademarks. If defendant would be permitted to use "Coty" and "L'Origan" upon the labels ordered by the District Court, this would not be a sale by description because a "Coty" perfume may be a rose perfume, a violet perfume and the like of varying degrees of concentration so that the only purpose of "Coty" and "L'Origan" upon the labels approved of by the District Court would be to bring before the mind of the customers the reputation of plaintiff for selling a pure, clean and concentrated product. This point appears in the *Congressional Record* for August 10, 1922, page 12645 in the discussion upon Section 526 of the Tariff Act of September 20th, 1922 which made it unlawful to import into the United States any foreign merchandise designated by a trademark which infringed upon a registered trademark owned by a citizen of the United States.

"Mr. Sutherland: It prevents, and its only aim is to prevent, a palpable fraud. The treaties which are referred to by the Senator from Minnesota are for the purpose of protecting citizens of all these countries in the enjoyment of trademark rights."

"A trade-mark does not provide a monopoly. Mr. Justice Pitney, in a celebrated case, delivered himself of this opinion.

"In the case of *United Drug Co. v. Rec-tanus* (248 U. S. 90) Mr. Justice Pitney said:

'A trade-mark in truth * * * confers no monopoly whatever in a proper sense, but is merely a convenient means for facilitating the protection of one's good will in trade by placing a distinguishing mark or symbol

—a commercial signature—upon the merchandise or the package in which it is sold.

The prohibition against the shipping over to this country of merchandise under specific trade-marks which have been bartered away to citizens of the United States does not create a monopoly at all, nor does it prevent the shipping over to this country of the identical merchandise, having the same constituent elements as are protected by the trade-mark.

For instance, American citizens have purchased the trade-mark of the Hunyadi Janos water. If this section becomes a law the owners of that water on the other side can not ship over that water under that trade-mark. They can ship over shiploads of the same water, having the same effect upon the human anatomy, without any infringement of this law at all. It does not provide a monopoly. It only protects a property right which has been sold, and in the enjoyment of which every citizen of the United States ought to be willing to see the purchaser protected'."

If for any reason a retailer would desire to dispense plaintiff's perfume in smaller quantities than those found in the smallest original bottles, this would be a sale by *oral representation* which might or might not constitute unfair competition, but it could not constitute infringement of plaintiff's *trademark rights* based either upon the general principles of trademark law, the Trademark Act of February 20th, 1905 or the New York Panel Law. Hence this issue is not in the case.

All this, of course, has nothing to do with the compacts, and all this is pure assumption either in respect of the compacts or in respect of the

rebottled perfume, because there is not the slightest proof in the record to show that plaintiff has sold its perfumes or powders in wholesale or bulk quantities with the implied consent to intermediate wholesalers to rehandle the powders by making compacts thereof or to re-bottle the perfumes in smaller bottles to prepare it for the retail trade.

The defense mainly dwelt on in this court is and must be based on the argument that plaintiff cannot properly be afforded relief in this case because it has engaged in the business of selling its perfumes and powders in wholesale and bulk quantities impliedly authorizing defendant to do the necessary compacting and rebottling requisite to prepare the perfumes and powders for the retail trade.

The complete answer to this argument is that the facts of the case do not support it. The whole argument rests upon the statements in one affidavit (Rochester) who merely says in effect that plaintiff, among other sizes of bottles in which it placed its perfumes, used a bottle of 8 ounce size. This contains just about the same liquid contents as an ordinary drinking glass. From this the defendant deduces the amazing conclusion that plaintiff must be assumed in selling an 8 ounce bottle to have impliedly consented that others might engage in the business of becoming intermediate wholesalers in re-bottling the contents of these 8 ounce bottles into smaller bottles for the retail trade.

No further elaboration is necessary to dispose of this contention. Certainly any such claim of

implied consent must cease after the time when the plaintiff notified the defendant that it did not give any such consent. After this time the defendant must be held to have proceeded without any justifiable claim of consent on behalf of the plaintiff.

It was pointed out in the case of

Diedrich v. Schneider, 195 Fed. 35
(C. C. A. 8th)

that to constitute infringement of a trademark that the mark complained of must be actually affixed to the goods of the defendant. Hence, where the plaintiff sued upon the registered trademark "905" for whiskies, the action was dismissed upon the registered trademark because the defendant merely displayed this mark upon a sign in front of his saloon and did not physically affix it to the containers of the whisky sold by him, and the action was also dismissed upon the ground of unfair competition because plaintiff and defendant were citizens of the same state.

A similar ruling was made by Judge Holt in the case of

New York Company v. Flam, 198 Fed.
571

where he held that it did not constitute infringement of the registered trademark for defendant to place his trademark upon his business cards and stationery but not upon the goods themselves.

Furthermore, in such a hypothetical sale by a retailer, the customer would have the opportunity of comparing the rebottled perfume with the

original perfume in the original bottle so as to detect any difference in appearance, color, odor and the like. The plaintiff could mark his bottles by serial numbers or the like and check up any dispensing retailer whose bottles appeared to remain miraculously full and no such check-up is possible on the entirely different practices herein complained of.

As for the hypothetical illustrations offered from other industries the conditions prevailing in these industries are not proved and the hypothetical conditions offered by defendant do not prevail in the instant case.

If a manufacturer of flour sells his product to the retailer in barrels or bags which are too large for retail distribution and makes no objection to the sale of the flour in small quantities by the grocer who does not print any trademarks upon his bags, there is no analogy between such a situation and the one presented herein where the defendant has specifically conceded that the rebottling or other independent handling of the delicate and volatile products involved may ruin them.

The situation is exactly the same as in the "Coca Cola" cases before discussed where a retailer buying a quantity of Coca Cola syrup may make up the beverage by adding carbonated water in front of the customer, but may not bottle this beverage and cause the "Coca Cola" trademark to appear upon these bottles in any manner whatever.

The defendant, and the defendant alone, is responsible for the genuineness, character and purity of the goods which it is trying to sell and

if the question of constitutionality is before the Court (having been raised for the first time) we submit that it would be an unconstitutional taking of a very valuable property right, namely the good will of plaintiff's business, to allow this good will to be used by the defendant.

A defense based upon alleged violation of the Sherman Act was overruled in the case of

Coca-Cola Co. v. Bennett, 238 Fed. 513
on p. 518,

and in the case of

Coca-Cola Bottling Co. v. The Coca Cola Co., Fed. 796, on pp. 813-816

the Court very carefully discussed the question of unlawful monopoly involved in the exclusive bottling contracts of the Coca Cola Co., and held that these contracts did not violate the law of Georgia, the Clayton Act, or the Sherman Act.

The registration for "L'Origan" is valid and is infringed by the use of "L'Origan" in different type upon the labels approved by the District Court.

Defendant is now trying to raise another new question which should have been raised by an appeal from the order of the District Court.

The District Court held that plaintiff's trade mark was "L'Origan" (R. p. 67) and that the registration was valid and had been infringed by the same word appearing upon the defendants' bottles and boxes in entirely different type, as can be seen from the exhibits of defendants' goods.

The opinion of the Circuit Court of Appeals also states that plaintiff's registered trade mark was "L'Origan" (R. p. 88, fol. 263). The record herein shows the same state of facts which induced the Circuit Court of Appeals to sustain Registration No. 141974 (*Le Blume v. Coty*, 13 T. M. Rep. 233).

Hence we submit that the issues relative to the "L'Origan" registration can not be now urged for the first time by a party which took no appeal.

Defendant urges that the registration should be limited to the fanciful type shown therein.

According to Sec. 1 of the trade mark act of February 20, 1905 and No. 22 (d) of the Rules of the Patent Office relating to the registration of trade marks, the drawing of a trade mark which forms part of a registration, must be a facsimile of the trade mark actually used upon the goods. In other words, if a trade mark appears in plain block type upon the label used in commerce, then the registration shows the word composing the trade mark as printed in plain block type. If on the other hand, due to the nature of the goods the label and the letters in which the trade mark is printed, are fanciful and elaborate, then the drawing of the trade mark is equally elaborate. The registration (R. p. 20) shows the same elaborate type that appears on the gold colored labels appearing on the bottles of plaintiff's perfume offered as an exhibit.

For the convenience of the court, we reproduce the relevant portion of the statute and of the Rules of the Patent Office.

See. 1 of Trade Mark Act of Feb. 20, 1905:

"A description of the trade mark itself shall be included (meaning in an application for registration), if desired by the applicant or required by the commissioner, provided such description is of a character to meet the approval of the commissioner. With this statement shall be filed a drawing of the trade mark, signed by the applicant, or his attorney, and such number of specimens of the trade mark as actually used as may be required by the Commissioner of Patents."

Rule 22 (d) of Rules of the Patent Office:

"A complete application comprises:

A drawing of the trade mark, signed by the applicant, or his attorney, which shall be a facsimile of the same as actually used upon the goods. (See rules 36 and 37 and specimen drawing, p. 35)."

However, the Patent Office has never registered a descriptive word merely because it was in a foreign language or because it was fancifully written.

Thus, in the case of

Macklin Co., 262 Fed. 635,

the Court of Appeals of the District of Columbia refused to permit the registration of the Spanish word for "rooster" because an American concern had previously registered the English word "rooster," and the court held that it made no difference that the applicant was trying to register the foreign equivalent of the English word "rooster."

In the case of

Armour Co., Commissioners Decisions,
1919 p. 129,

the Patent Office refused to register "Veribest" for meats and the like even though the word was written very fancifully, because it was held that the word itself was descriptive.

Previous to the year 1919, there was a practice in the Patent Office which permitted the registration of a descriptive word in combination with arbitrary accessories if a disclaimer was entered to the descriptive word *per se*. But in the case of

Nairn Linoleum Co. v. Ringwalt, Commissioners Decisions 1917 p. 135, 46 App. D. C. 64

the Court of Appeals refused to permit the registration of the descriptive word "Linoleum," in combination with a fanciful figure, on the ground that the statute did not permit the registration of descriptive words, even if a disclaimer were filed.

No disclaimer was required in Registration No. 146974 and although this registration omits the apostrophe between the "L" and the "O," it clearly indicates just what the French word is, and the *prima facie* presumption that the Patent Office discharged its duties according to law.

It is well established that the infringement of a trade mark consisting of a *word* or *words* is not avoided by reproducing the trade mark on a different label or in different type, because otherwise any well known trade mark, as "IVORY" for soap, could be pirated with impunity by merely printing it in different type on a new style of label. As illustrating this well established principle, we refer to,

Fairbank v. Luckel, 102 Fed. 327 (C. C. A. 9th)

Stark v. Stark, 248 Fed. on p. 156,

affirmed on this point in 257 Fed. 9; affirmed 255 U. S. 50.

Hier v. Abrahams, 82 N. Y. 519,
Coty, Inc. v. LeBlume, 292 Fed. 264,

affirmed 292 Fed. 344, 13 T. M. Rep. 233, where it was held that plaintiff's trade mark "L'Origan" was infringed by the use of the word "Origan" upon a different style of bottle so that there was

"no simulation in the make-up and the case stands solely on the word" (292 Fed., p. 265).

As for the technical point that the declaration found in the "L'Origan" registration is not in proper form, the registration is in the identical form prescribed by the Patent Office and follows Sec. 2 of the statute.

Thus No. 17 of the Rules of the United States Patent Office has always read as follows since 1905:

"Except as provided by section 3 of the act of May 4, 1906, no trade mark will be registered under the act of February 20, 1905, as amended, to an applicant residing or located in a foreign country unless such country, by treaty, convention, or law, affords similar privileges to the citizens of the United States, nor unless similar privileges to the citizens of the United States, nor unless the trade mark has been registered by the applicant in the foreign country in

which he resides or is located, nor until such applicant has filed in this office a certified copy of the certificate of registration of his trade mark in the country where he resides or is located. In such cases it is not necessary to state in the application that the trade mark has been used in commerce with the United States or among the several States thereof."

In Sec. 1 of the statute, Congress made it necessary that the owner of the trade mark should have used the same,

"in commerce with foreign nations or among the several states or with Indian tribes, provided such owner shall be domiciled within the territory of the United States, or resides in or is located in any foreign country which, by treaty, convention, or law, affords similar privileges to the citizens of the United States."

The verified complaint (R., p. 3, Par. IV) clearly shows that plaintiff has sold the "L'Origan" goods since 1909 in foreign commerce between France and the United States, and in Intra-state and Inter-state commerce in the United States so that this is not an attempt to establish trade mark rights prior to actual use in foreign commerce or the like.

The portion of Sec. 2 of the trade mark herein in issue was adopted to give effect to

Convention for International Protection of Industrial Property, Treaties, Conventions, etc., Vol. 2, p. 1938.

Proclaimed June 11, 1887 and amended June 22, 1892 and Aug. 25, 1902 (*Treaties, Conventions, etc., Vol. 2* on pp. 1943 & 1945).

Article VI (p. 1938).

“Every trade or commercial mark regularly deposited in the country of origin shall be admitted to deposit and so protected in all the other countries of the Union.

Shall be considered as country of origin, the country where the depositor has his principal establishment. If this principal establishment is not situated in one of the countries of the Union, shall be considered as country of origin that to which the depositor belongs.

The deposit may be refused, if the object, for which it is asked, is considered contrary to morals and to public order.”

This convention has been superseded by

Convention for the Protection of Industrial Property.

Proclaimed April 29, 1913. 38 Stat. at Large Part 2, p. 1645. Treaty Series No. 579, the pertinent parts of which are the following:

Article 6 (38 Stat. Part 2, p. 1662).

“Every trademark regularly registered in the country of origin shall be admitted to registration and protected as that in the other countries of the Union.

However, there may be refused or invalidated:

1. Marks which are of a nature to infringe rights acquired by third parties in the country where protection is claimed.

2. Marks devoid of all distinctive character, or even composed exclusively of signs or data which may be used in commerce, to designate the kind, quality, quantity, destination, value, place of origin of the products or the time of production, or become common in the current lan-

guage or the legal and steady customs of commerce of the country where the protection is claimed.

In the estimation of the distinctive character of a mark, all the circumstances existing should be taken into account, particularly the duration of the use of the mark.

3. Marks which are contrary to morals or public order.

The country where the applicant has his principal establishment shall be considered as the country of origin.

If this principal establishment is not located in one of the countries of the Union, that to which the applicant belongs shall be considered as country of origin.”

Article 8 (38 Stat. Part 2, p. 1662).

“Trade names shall be protected in all the countries of the Union without the obligation of filing, whether it be a part or not of a trade-mark.”

Article 10½ (38 Stat. Part 2, p. 1663).

“All the contracting countries agree to assure to the members of the Union an effective protection against unfair competition.”

In the final Protocol it is provided:

“Ad Article 6 (38 Stat. Part. 2, p. 1667).

It is understood that the provision of the first paragraph of Article 6 does not exclude the right to require of the depositor a certificate of regular registration in the country of origin, issued by competent authority.”

Under the International Convention as it was in force at the time that “L'Origan” and “Coty” were registered in the U. S. Patent Office, it was perfectly proper for the Patent Office to consider

the undisputed facts heretofore set forth, namely, that "L'Origan" was a mark of origin and not a mark of description (*supra*, pp. 7-10).

We again beg to point out that these issues were not raised by defendant before the Circuit Court of Appeals due to the fact that defendant took no appeal whatever from the decision of the District Court and since the jurisdiction of this Court upon the issuance of a writ of certiorari is the same as though an appeal had been taken (*Meccano v. Wanamaker*, 253 U. S. 410, on p. 140) we submit that these newly raised issues are not before the Court.

Section 2 of the Trade-Mark Act of February 20th, 1905 has been construed by the Court of Appeals in the District of Columbia in the following case:

Deitsch Bros. v. Loonen, 39 App. Cas. 114,

P. 117:

"The registration was had under section 2 of that act (meaning the act of 1905) which permits registration of a trade mark by one who resides in a foreign country if he makes a statement that he has registered his mark in a foreign country, or applied for registration therein."

Hence the point which defendant attempts to make, namely, that plaintiff has used the registration to protect a business which did not antedate the registration is entirely without foundation in the instant case, because the business on the "L'Origan" products was established long before 1920 when this registration was issued.

In any event the form of the declaration, which is equivalent to the oath in a patent application, is not a matter which can be raised collaterally by an infringer.

The authorities on this point are collated in the case of

Holmes Co. v. Domestic Co., 42 Fed. 220 on p. 222.

Conclusion.

We submit that the order of the Court of Appeals should be affirmed.

Respectfully submitted,

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